



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

September 9, 2008

To: Supervisor Yvonne B. Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", written over a horizontal line.

## SACRAMENTO UPDATE

### State Budget Update

The Senate met yesterday to consider **AB 1793**, the Senate Republicans' Budget Plan which, as previously reported, proposes to: 1) reject the Governor's temporary sales tax increase proposal; 2) borrow \$2.0 billion in FY 2008-09 from the securitization of the existing lottery; 3) increase program reductions above the Governor's August Compromise proposal by an estimated \$1.6 billion which would primarily affect health and human services programs; and 4) approve a budget reform proposal which would establish a spending cap, strengthen the rainy day fund, and grant mid-year budget authority to the Governor. After considerable debate, AB 1793 failed passage on a partisan vote of 13 to 21.

The Senate Republicans' Budget Plan was also amended into **SB 1087** and taken up on the Assembly Floor this afternoon, but the final outcome was the same as in the Senate. The measure was defeated on a partisan vote of 27 to 45. It has now been over 70 days since the start of the fiscal year, and the State Budget stalemate continues with no apparent end in sight.

The Governor's August Compromise proposal, which was summarized in the Sacramento Update of August 21, 2008, was amended into **SB 1072** with the expectation that the measure will be taken up on the Assembly Floor over the next

*"To Enrich Lives Through Effective And Caring Service"*

**Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only**

couple of days. However, it is anticipated that this measure will also be defeated because it includes the proposed sales tax increase which Republicans oppose, and additional program reductions and components of the budget reform proposal that Democrats oppose.

**Pursuit of Urgency Legislation Prior to Adjournment of the Legislature**

The County Sacramento advocates are working with the California State Association of Counties and the California Mental Health Directors Association to seek urgency legislation to replace County-supported SB 292 (Wiggins) which failed passage last week. This urgency legislation, like SB 292, would hold counties harmless for past payments for treatment services provided to severely emotionally disturbed (SED) children in out-of-state facilities. It would allow continuation of these services and payments for three years to allow the Legislature and Governor to evaluate this policy and make any warranted changes while minimizing the disruption of services to these SED children. Recent audits by the State Controller have rejected payments to two counties notwithstanding the fact that these payments are allowed under Federal law and have been made without question for over 10 years. **Therefore, consistent with County support for SB 292, the Sacramento advocates will pursue passage of urgency legislation including the provisions of that bill prior to adjournment of the Legislature.**

We will continue to keep you advised.

WTF:GK  
MR:MS:lm

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations